



Colorado is home to the third largest aerospace economy in the nation with more than 160,000 space-related jobs with approximately \$9.7 billion in annual payroll. Some of the country's leading aerospace contractors, such as Lockheed Martin, Ball Aerospace, Northrop Grumman, and United Launch Alliance, all have major operations in Colorado.

Unfortunately, a federal law enacted in 1999 has weakened our nation's aerospace industry and caused many of those highly skilled jobs that should have been created in Colorado and elsewhere in the United States to move overseas.

Before 1999, the United States commercial satellite industry led the world in exports by a significant margin — at that time, according to the Center for Strategic and International Studies, the U.S. commercial satellite industry had 83 percent of the global market. However, by 2005 the U.S. global market share had dropped below 50 percent.

The International Traffic in Arms Regulations (ITAR) are a series of federal regulations that were initiated during the Cold War and govern the import and export of defense-related services and articles listed on the U.S. Munitions List (USML). They are intended to ensure we do not export sensitive military technologies that could fall into the wrong hands.

With the 1999 change in the law, passed after a controversy involving the sharing of information between U.S. aerospace companies and their Chinese counterparts became public, Congress put commercial satellites and their components on the USML, thus subjecting them to much stricter export controls under the ITAR. If even a battery or bolt was designed with space travel in mind, it is now classified as a technology with arduous license requirements to be exported under federal law. Following this change in federal policy the U.S. commercial satellite industry lost its competitive global edge.

Since all commercial satellites used U.S. parts in 1999, the Congressional action was thought to be effective, but the law had unintended consequences because it motivated the aerospace industry in China and Europe to expand and fill the void left by U.S. export restrictions. Many large European aerospace manufacturers have actually started making and marketing

commercial satellites that are “ITAR-free” — made without any U.S. components in an effort to avoid the challenges associated with ITAR compliance.

Unnecessarily strict export controls are a serious burden on our commercial aerospace manufacturing sector and hurt our ability to compete in the global market. This excessively broad and severe regulatory environment under ITAR must be reformed. There are simply no reasons why we should be losing market share to our European competitors in an industry that the United States pioneered and dominated throughout the 20th century.

This month, I announced that I am co-sponsoring a bipartisan measure with Rep. Howard Berman, D-Calif., that would provide commercial satellites and related components flexibility regarding the USML, therefore providing much-needed relief to America’s commercial satellite manufacturers caught under the strict ITAR export controls.

While this bill, the “Safeguarding United States Satellite Leadership and Security Act of 2011,” allows U.S. aerospace companies greater access to international customers, it still protects American security interests by prohibiting the sale of satellite components to China as well as nations that engage in the state sponsorship of terrorism, such as North Korea, Iran, Syria, Sudan and Cuba.

When I spoke to the Colorado Space Coalition in August, it was clear that reforming ITAR export controls is one of their top legislative priorities because changing this federal policy will help our commercial aerospace manufacturers reach potential international customers with far greater ease, allowing them to expand their businesses and create more jobs in Colorado.

We must allow our commercial satellite manufacturers to regain their competitive global edge, so we can bring back some of the jobs that have been lost to our competitors overseas. With this bill, I am confident that we can do just that.

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